

FISCAL NOTE

SB 2183 - HB 2283

March 12, 2002

SUMMARY OF BILL:

- Changes the apportionment formula for the excise tax to property factor plus payroll factor plus 3 times the sales factor divided by 5.
- Under current law the excise tax apportionment formula is property factor plus the payroll factor plus 2 times the sales factor divided by four.
- The bill would take effect for tax years beginning on or after January 1, 2003.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - \$25,000,000*

Increase State Expenditures - \$164,520 One-Time

Estimate assumes:

- A decrease in state revenues of \$25,000,000 resulting from modifying the apportionment formula for the excise tax.
- An increase in state expenditures of \$164,520 one-time resulting from MIS system modification costs in the Department of Revenue. Costs are based on programming changes required, upon passage of the bill, to implement a different formula for the excise tax.

Note: The language of the bill modifies the excise tax apportionment formula, however it specifies net worth instead of earnings. Estimate assumes the intent of the bill was to specify earnings in the revision of the formula.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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